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REPORT
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EXTENDING FOR 2 YEARS THE EXISTING PRIVILEGE OF FREE IMPORTATION OF GIFTS FROM MEMBERS OF THE ARMED FORCES OF THE UNITED STATES ON DUTY ABROAD

FEBRUARY 14, 1951.—Ordered to be printed, under authority of the order of the Senate of February 12 (legislative day, January 29), 1951

Mr. GEORGE, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 2141]

The Committee on Finance, to whom was referred the bill (H. R. 2141) to extend for 2 years the existing privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of this proposed legislation is to continue for 2 years the existing law which allows for the entry of so much of any shipment of bona fide gifts as does not exceed \$50 in value without the payment of customs duties, charges, or exactions, or internal revenue taxes when such gifts are sent by members of the Armed Forces on duty abroad.

GENERAL STATEMENT

The act of December 5, 1942 (Public Law 790, 77th Cong.; 56 Stat. 1041), allowed, until the expiration of 6 months after the termination of hostilities as determined by proclamation of the President, the entry, free of customs duties or internal revenue import taxes, of so much of any shipment as did not exceed \$50 in value if there were filed in connection with the entry satisfactory evidence that the articles were bona fide gifts from a member of the Armed Forces of the United States on duty outside the continental limits of the United States. Public Law 384 of the Eightieth Congress extended the period for free entry through June 30, 1949, and also amended the law by restricting the privileges so as to deny free entry on or after September 1, 1947, unless the article is purchased—

in or through authorized agencies of the Armed Forces of the United States or in accordance with regulations prescribed by the major geographical commands of the United States Armed Forces.

2 EXTEND PRIVILEGE OF FREE IMPORTATION OF CERTAIN GIFTS

Public Law 241 of the Eighty-first Congress again extended the period for free entry through June 30, 1951.

The proposed legislation will continue this free-entry privilege, as restricted under present law, for members of the Armed Forces for an additional 2 years.

The Bureau of Customs has advised that it has encountered no serious administrative difficulties in administering this law, and it was explained that this legislation is safeguarded from abuse not only by the restrictions imposed by Public Law 384 of the Eightieth Congress, but also by appropriate Treasury Department regulations and instructions from the armed services.

When this legislation was first recommended by the War Department in 1942, it was pointed out to the Congress that during the Christmas and other holiday seasons many gifts sent by members of our Armed Forces to their relatives would not reach their intended donees at the proper time if the donees were required to pay the customs duties. The principal reason for this is because of the attendant delay and burden falling on the serviceman's relatives, and not because the amount of the customs duties is large.

Your committee believes that this limited free importation privilege is a definite morale factor for our servicemen overseas and since substantial numbers are now stationed in all parts of the world, a 2-year extension is warranted.

The Department of Defense has requested that this legislation be made permanent. Your committee believes that a 2-year extension will accomplish the desired result and that at the end of that period the Congress can determine if an additional extension is desirable.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black bracket; new matter is printed in italics; existing law in which no change is proposed is shown in roman):

AN ACT To accord free entry to bona fide gifts from members of the armed forces of the United States on duty abroad.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That under such regulations as the Secretary of the Treasury shall prescribe so much of any shipment as does not exceed \$50 in value shall be admitted into the United States or its Territories or possessions free of all customs duties, charges, or exactions, or internal-revenue taxes imposed upon or by reason of importation, if there is filed in connection with the entry satisfactory evidence that the articles for which free entry is claimed were purchased in or through authorized agencies of the armed forces of the United States or in accordance with regulations prescribed by the major geographical commands of the United States armed forces, and are bona fide gifts from a member of the armed forces of the United States on duty outside the continental limits of the United States.

Sec. 2. This Act shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption on or after the day following the date of its enactment and before July 1, [1951] 1953.

Approved, December 5, 1942.